



Ms. Stanfill summarized the Board report stating that Cortiva Institute, Scottsdale and Tucson are seeking approval for a change of ownership. Cortiva was previously owned by Cortiva Group and will now be owned by SEG Cort, LLC, a subsidiary owned by Steiner Leisure Limited.

Mr. Walser was the lead Board member. Ms. Hepler responded to the members' questions on the financial stability of the new owner. It was explained the only change as a result of the change of ownership is in the CEO.

**Action:** Mr. Walser made a motion to approve the Supplemental License Application for a Change of Ownership. Mr. Tharp seconded the motion and the motion carried.

### **III.A. Complaints: Determination to Open a Complaint filed against Dunlap-Stone University by Complainant J.P.**

Ms. Stanfill explained that this matter was before the Board to determine if a complaint is to be opened based upon the November 20, 2011 email that staff received from JP. JP is also the complainant on #11-NS007. Ms. Stanfill referred the Board Members to the Attorney-Client Confidential Memo.

Ms. Miller made a motion to go into Executive Session to obtain legal advice. Mr. Tharp seconded the motion and the motion carried.

Regular meeting recessed at 2:36 p.m.  
Executive Session Convened at 2:40 p.m.  
Executive Session Adjourned at 2:43 p.m.  
Regular meeting reconvened at 2:44 p.m.

Dr. Noone stated that the first allegation is embedded within complaint #11-NS007, however the second allegation would warrant opening a new complaint.

**Action:** Ms. Noone made a motion to open the complaint regarding the following allegations: academic fraud, grade changing, falsification of student records, improper access to student records and other wrongdoing. Mr. Walser seconded the motion and the motion carried.

### **III.B. Complaint #11-NS007 filed against Dunlap-Stone University by Complainant J.P.** Don and Valeri Burton and attorney James Armstrong representing DSU, Complainant JP present

Ms. Stanfill summarized the Investigative Report stating that Complainant JP filed the Non-Student Complaint on April 25, 2011 with subsequent documentation. Ms. Stanfill stated the allegations were as follows:

1. Certification Board of Governors ("CBG") and IIEI certification courses/test and are not independently governed from DSU
2. The IIEI certification courses are very similar to the DSU licensed programs and were used to entice students to enroll into the DSU programs
3. Advertising of CBG/IIEI/DSU programs and certifications/certification tests is misleading and contains willful misrepresentations
4. Unprofessional or dishonorable conduct by the Licensee and its employees

Ms. Stanfill explained the findings of the further investigation as stated in the Report. Ms. Stanfill also stated the DSU provided a breakdown of the three operations within the parent company and the personnel responsible for those operations.



Complainant JP addressed the Board. Prior to JP's opening remarks, he requested the prior "complaint" filed by Mr. Katrak regarding B.C. (referencing prior agenda item) be including as a part of his complaint. JP also requested all parties be sworn in. Dr. Noone explained that parties were sworn in only a part of a hearing. JP swore himself in.

JP emphasized and explained in detail the information and documentation that he asserts supported the allegations of misleading advertising, misrepresentations, enrollment enticement and unprofessional and dishonorable conduct by DSU. JP addresses the trademark registrations, or lack thereof and the lack of independence between DSU and the IIEI certifications. JP also distributed several handouts to the Board. JP also provides a handout that summarizes his recommendations for actions and fines to be taken by the Board.

Mr. Walser asked JP to clearly explain what is wrong with the way the IIEI certifications were developed. JP responds that certification should be external, independent and unbiased third-party validation, and if not, the certification has no value.

JP also stated that DSU intimidates, threatens and makes false accusations against anyone who files a complaint against DSU. JP provided several examples that, in his opinion, substantiated the claims.

Mr. Armstrong, attorney for DSU, addressed the Board. Don and Valeri Burton were also present. Mr. Armstrong provides his rebuttal to JP's remarks and explains the reasons behind JP's complaint regarding the certification entity and the trademark registrations. Mr. Armstrong also states that the certifications are not under the Board's jurisdiction.

Dr. Burton addressed the Board. Dr. Burton explained that DSU has recently made changes to clarify the accredited vocational and degree programs and the certification courses. Mr. Walser has several questions regarding the courses and the exams and the value of the certification to which DSU responds.

Ms. Leonard and Mr. Walser question DSU's use of several terms (i.e. "all" "top 100") and cautions that the words used be factually correct.

Mr. Tharp requests clarification regarding the student surveys and their responses regarding their enrollment in the certification courses. Dr. Burton responds that many of the students, who are primarily employed in the field, will enroll in the courses, paid by their employer, and will also apply the credits from the course towards the degree. Mr. Armstrong emphasizes the value of the DSU courses.

Dr. Burton and Mr. Armstrong explain the independence of the three operations within the parent company.

Ms. Miller raises the question regarding the separation of certification and the training. Ms. Stanfill responds the question is not addressed in statute or rule or accreditation, however, it is the general consensus that the training provider cannot certify their own students, that sufficient autonomy and "firewalls" need to exist between the two.

The Board deliberated regarding the alleged false, misleading advertising and enrollment enticement with the certification courses. Ms. Miller also expressed her concern regarding the statement that in the future DSU would be offering graduate programs. Ms. Stanfill referred the Board to A.R.S. § 32-3022. After discussion, the following motion was made:

\* **Action:** Ms. Miller made a motion that the Board offer DSU a consent agreement citing a violation of A.R.S. §§ 3051(3)(5) and 32-3022 and assessing a civil penalty of \$3,000.00. Mr. Walser seconds the motion.

Discussion: The Board members also discussed that DSU be required to revise all advertising, documentation and statements to ensure that all are accurate, to include Dr. Burton's bio, websites and advertising of the school and the certifications. Mr. Walser also recommends that DSU appoint an officer who is responsible to review and approval of all external communications. The Board also discussed the length of time DSU would have to make the necessary revisions. It is also discussed that DSU will be offered 30 days to accept the Consent Agreement.

Ms. Miller amends the motion to include that DSU is required to edit and revise Dr. Burton's bio, website, all advertising, etc. for review at the February Board meeting. Mr. Walser accepts the amendment.

Motion carries.

**V. Call to the Public:** J.P. comes forward and states that in the July 11<sup>th</sup> letter he was referring to the three other complaints that were a part of the C.K. complaint (#11-NS004). Dr. Noone responds that matter is closed.

**VI. Board Business:**

A. Executive Director's Report: No one had questions.

**VII. Adjournment:** The meeting adjourned at 4:41 p.m.

The minutes were approved at the January 26, 2012 at the meeting of the Arizona State Board for Private Postsecondary Education.

  
Teri Stanfill, Executive Director

\* The reader of these Minutes should also know that on August 23, 2012, the State Board took additional action. Specifically, to dismiss the complaint with prejudice based upon the remedial actions taken by the institution. The motion passed unanimously.